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FM AMEMBASSY BERLIN  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8387  
INFO RUCNMEU/EU INTEREST PRIORITY  
RUCNFRG/FRG COLLECTIVE PRIORITY  
RUEHAH/AMEMBASSY ASHGABAT PRIORITY 0113  
RUEHTA/AMEMBASSY ASTANA PRIORITY  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 1814  
RUEHOT/AMEMBASSY OTTAWA PRIORITY 1050  
RUEHKO/AMEMBASSY TOKYO PRIORITY 1478

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E.O. 12958: DECL: 05/24/2017  
TAGS: [ENRG](#) [ETRD](#) [SENV](#) [PREL](#) [EU](#) [GM](#)  
SUBJECT: GERMAN ECONOMICS MINISTER ON ENERGY/CLIMATE IN  
TALKS WITH RUSSIA AND AT HEILIGENDAMM; EXPRESSES OPTIMISM  
ON DOHA

Classified By: Ambassador William R. Timken, Jr., for  
Reasons 1.5 B and D

¶1. (C) Summary. German Minister for Economics and Technology Michael Glos met with the Ambassador May 24 to discuss the EU/Russia Summit (in which Glos was a full participant), energy security and climate change policy, and the current push to realize a successful conclusion to the WTO Doha Development Agenda trade talks. The Minister also raised developments at Siemens, noting the new leadership and efforts in the firm to move away from the illegal practices that have been uncovered there. In this regard he noted the German Government has tools to investigate and take actions against bribery and other illegal practices, which he said are on par with those in the U.S.

¶2. (C) On the Summit, Glos characterized it as not very constructive due to Putin's attitude. Germany continues to focus on diversification of energy supplies from an overwhelming reliance on Russia to increase its energy security. In this regard, he noted he would travel the week of May 28 to Qatar to push for German companies' access to Qatari natural gas. Glos characterized climate change as the central theme for Germany at the upcoming G-8 Summit, and emphasized a need to move the conversation forward to include major CO2 emitting countries, such as India and China, while respecting every country's right to pursue different policies to achieve shared climate reduction goals. On the Doha WTO talks, Glos believes further compromise is possible and that the Heiligendamm G-8 Summit provides an excellent opportunity to reach agreement. End summary.

RUSSIA/EU SUMMIT

¶3. (C) Glos summed up the Russia/EU Summit with one line: "Putin was not in the best of moods." Glos, who noted he was in all the Chancellor's meetings with the Russians except the one-on-ones, noted the talks had been difficult and also noted he had discussed the recent Russian decision to construct a pipeline from Kazakhstan around the Caspian Sea with Russian Economic Development and Trade Minister German Gref (Energy Minister Viktor Khristenko was reportedly ill). According to Glos, Gref characterized the pipeline decision as based on technical and financial considerations. Russia believes the pipeline's route is necessary to make delivery of Central Asian gas to Europe economically feasible. Germany however questions whether Russia will have the gas capacity to fill this pipeline and existing long-term

contracts without relying on Kazakh and Turkmen gas, due to Russia's under-investment in its energy infrastructure.

#### ENERGY SECURITY

¶4. (C) Glos said that he is not particularly distrustful of Russia as an energy supplier, but it is important to focus on energy diversification. Germany is therefore "intensifying" its energy relationship with Norway and is also encouraging companies to focus on LNG. He is still looking to move ahead with constructing Germany's LNG facility at Wilhelmshaven. The Minister added he will lead a German delegation to Doha the week of May 28 to discuss getting German firms access to Qatari gas. (Note: in separate discussions with Economic Ministry officials, the Ambassador and EMIN noted reports of German companies looking to Iran as a source of natural gas because they say they cannot be sure of getting supply contracts with Qatar. The IAEA report further underlined the need to send a signal to Iran and that now is not the time for German companies to be pursuing a business as usual attitude with Iran. Ministry DG for International Economics Brauner fully took the point and said there would not be any contracts for natural gas signed with Iran. End note.)

¶5. (U) Glos noted concerns over energy security topped a German poll at the beginning of 2007. While some of this concern was due to the Russian cutoff of the Druzhba pipeline to Belarus, Glos believes most Germans continue to be concerned over the country's reliance on Russia as a major source of energy imports. At the same time, according to Glos, German concern over climate change means the country is reevaluating all CO2-free technologies, including nuclear energy. He remains optimistic these two trends in the public will lead to an acceptance of nuclear energy, but admits the

SPD Environment Minister and others strongly disagree.

#### CLIMATE CHANGE

¶6. (SBU) Glos characterized climate change as the leading issue for Germany going into the G-8 Summit. The Minister noted the importance of including all major producers of CO2, including China and India, in a strategy to halt the growth of greenhouse gas emissions. Technological breakthroughs, Glos continued, will be especially important to achieve this goal. Glos said the important thing to focus on is the shared goal of safeguarding the environment and cutting CO2 and other greenhouse gas emissions. Each country, however, needs to be free to adopt different measures to achieve this goal. He also stated that an international agreement on climate change might be something for the future, but should not be something for Heiligendamm.

#### DOHA

¶7. (C) Glos said the G-8 Heiligendamm Summit is an excellent forum to discuss outstanding issues on the Doha WTO talks. If small compromises are needed from the European side to achieve a deal, Glos was confident this was possible. Unfortunately, Glos said it appears President Bush is more disposed to free trade than the U.S. Congress appears to be, citing continued EU concerns over U.S. agricultural subsidies. In addition, other countries, such as India, are trying to add issues, e.g., visas, which are unrelated to the WTO, "digging themselves into a hole" and further slowing the Round.

TIMKEN JR